

Taxpayer Consent Forms: What You Don't Know Can Hurt You

What's it about?

This presentation talks about §7216 of the Internal Revenue Code. §7216 is a criminal statute that applies to preparers of individual, corporate and partnership tax returns. It governs the disclosure and use of information that is gathered, processed, computed and applied in the preparation of those returns. Penalties for violations of this section include fines and jail time.

Who Should Attend?

This law applies to just about everyone who prepares tax returns or is connected to the tax preparation industry in any way, for example:

- Tax return preparers, their employees, consultants and contractors
 - E-file providers including EROs, transmitters, software developers and Intermediate Service Providers
 - Tax attorneys, tax accountants, enrolled agents, and tax law experts
 - Computer repair personnel
 - Persons connected with tax practices that offer other products and services such as financial planning, investment counseling, refund anticipation loans, accounting services, bookkeeping etc.
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- *If you know about §7216 you need to attend because the rules changed in January.*
 - *If you don't know about §7216, you need to familiarize yourself with the law to ensure that your business practices comply.*

What is §7216?

§7216 states that all preparers and those that assist in return preparation are limited to disclosing or using the information they receive from taxpayers for the sole purpose of preparing that tax return. This means that you cannot use the information to sell the taxpayer other products or services or disclose the information to anyone else for any purpose other than completing the tax return. There are regulations that supplement the law and lay out a set of exceptions. The presentation will talk about these exceptions and how they apply to you. Some exceptions require that before you take any action you must obtain the informed written consent of the taxpayer.

How Do I Obtain Consents?

The regulations are supplemented by Revenue Procedure 2008-35 which lays out the rules and the required language when obtaining consent forms.

Sounds Scary?

You are definitely at risk if you don't know the rules. Please join us for this enlightening session.

§7216 Points of Contact

By phone

Molly Donnelly or Larry Mack
202-622-4940 (not toll-free)

Aids and FAQs on the Web:

www.irs.gov

Click on tab for **“Tax Professionals”**

Look for the article entitled:

“Section 7216 Updated Rules for Tax Preparers”